

## Message Text

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63

ORIGIN L-02

INFO OCT-01 EA-10 ISO-00 CIAE-00 INR-07 NSAE-00 RSC-01

SCSE-00 SCA-01 /022 R

DRAFTED BY L:L/C:DRHENDERSON,JR.

APPROVED BY L:L/C:FAKWIA TEK

EA/PHL:ECHULEN

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R 152011Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY MANILA

UNCLAS STATE 226481

E.O. 11652: N/A

TAGS: CPRS, RP

SUBJECT: CLAIM OF ELMER MADSEN

REFS: EMBASSY 10962 AND PREVIOUS

1. ELMER MADSEN ADVISED DEPARTMENT THAT HIS PHILIPPINE ATTORNEY (SIMON R. CRUZ, 108 TIMOG AVENUE, QUEZON CITY) HAS BEEN INFORMED UNOFFICIALLY BY BAYANI DIFUNTORUM, CHIEF, DEBT MANAGEMENT DIVISION, BUREAU OF TREASURY, THAT HIS "CLAIM OF P225,545.67, IF FULLY SUPPORTED WHEN PROCESSED, WILL BE PAID IN PESOS WITHOUT INTEREST."

2. MADSEN AWARE PHILIPPINE LAW PROVIDES THAT DEBTS IN PHILIPPINE CURRENCY BE PAID IN PHILIPPINE CURRENCY, BUT SERIOUSLY DISTRESSED THAT PROPOSED PESO-FOR-PESO PAYMENT (AT PRESENT DEVALUED RATE) RESULTS IN SERIOUS FINANCIAL LOSS. MADSEN OF VIEW LAW SHOULD NOT BE APPLIED RETRO-ACTIVELY TO HIS CLAIM WHICH PRE-DATES LAW AND PAYMENT SHOULD BE IN DOLLARS U.S. OR PESOS IN AMOUNT EQUIVALENT TO PRE-DEVALUATION VALUE OF HIS CLAIM. MADSEN ALSO BITTERLY PROTESTS PROPOSED PAYMENT WITHOUT INTEREST IN VIEW OF GOP DELAY OF MORE THAN 20 YEARS IN SETTLING CLAIM. DEPARTMENT DEFERRED COMMENT ON "UNOFFICIAL" PROPOSED OFFER OF PAYMENT PENDING RECEIPT OF "OFFICIAL OFFER."

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3. AS REGARDS VALID CLAIMS, INTERNATIONAL LAW RECOGNIZES CLAIMANTS' RIGHT TO: (A) COMPENSATION BASED ON VALUE OF PROPERTY AT TIME CLAIM AROSE, PLUS (B) INTEREST FROM DATE OF LOSS TO DATE OF SETTLEMENT. HOWEVER, CLAIMANTS NOT ENTITLED TO COMPENSATION FOR LOSSES ATTRIBUTED TO FLUCTUATIONS OR DEVALUATIONS OF DEBTORS' CURRENCY.

4. EMBASSY REQUESTED TO ASCERTAIN OFFICIAL GOP OFFER CONCERNING PROPOSED PAYMENT OF CLAIM AS REGARDS (A) AMOUNT OF AWARD, (B) FORM AND AND METHOD OF PAYMENT, AND (C) CONVERTIBILITY AND REPATRIABILITY OF AMOUNT TO BE PAID. WOULD APPRECIATE A PROMPT REPORT. INGERSOLL

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## Message Attributes

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**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**Subject:** CLAIM OF ELMER MADSEN  
**TAGS:** CPRS, RP, (MADSEN, ELMER)  
**To:** MANILA  
**Type:** TE  
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